

CHAPTER 4
REPORTING REQUIREMENTS

[Prior to 9/9/87, Campaign Finance Disclosure[190] Ch 4]

[Prior to 3/30/94, Campaign Finance Disclosure Commission[121] Ch 4]

351—4.1(56) Report form. The board may require committees to submit relevant information not specifically delineated in Iowa Code chapter 56 on their disclosure report where the approved report form asks and leaves space for information not specified in chapter 56. All information shall be pertinent to the duties of the board.

4.1(1) The disclosure report form shall include a space for local committees to indicate the date on which the election is to be held and a space for local committees to indicate the county in which the election is to be held. A committee supporting or opposing a candidate for a municipal or school elective office or a committee supporting or opposing a local ballot issue is required to complete this section.

4.1(2) The disclosure report form for a committee supporting or opposing a local candidate, which includes candidates for a municipal or school elective office, or a local ballot issue shall include a space to indicate the period covered by the disclosure report. These committees shall be required to complete this section.

4.1(3) The statement of organization shall disclose the telephone numbers of the officers of the committee and of the candidate in the case of a candidate's committee. The disclosure report forms for all committees shall disclose the telephone number of the person who signs the report.

4.1(4) A disclosure report of a candidate's committee is required to disclose the relationship of any relative of the candidate who makes a contribution to the candidate, provided the relative is within the third degree of consanguinity or affinity. For the purpose of these rules, the following definitions shall apply.

"Affinity" means a relative through a current marriage.

"Consanguinity" means a blood relative.

"Third degree" means three generations of ancestors (parents, grandparents, and great grandparents); three generations of descendants (children, grandchildren, and great grandchildren); lateral relationships of sisters, brothers, aunts, uncles, nieces, and nephews; and shall also include step and in-law relationships.

4.1(5) All committees required by Iowa Code section 56.6 to file a disclosure report on or by January of each year shall attach to that disclosure report a copy of the committee's bank statement which includes December 31 of the year reported. If the bank statement cycle is such that the committee has not received the statement including December 31 by the date for filing the January report, the committee shall separately file the bank statement within ten days after receipt. Supplemental information may be requested by board staff in order to conduct reconciliation for the December 31 balance. A committee which files a final disclosure report shall attach to that disclosure report a copy of the committee's bank statement which includes the final transaction(s) which closes the committee's account.

4.1(6) A committee which uses an abbreviation or acronym as part of its committee name shall provide a written explanation as to the full word or words which are abbreviated or form the acronym. The explanation may be provided with the committee's statement of organization, and shall be provided to the board upon request.

This rule is intended to implement Iowa Code sections 56.5 and 56.6.

351—4.2(56) Disclosure reporting forms. The disclosure reporting forms provided by the state board or county commissioner of elections shall be the official forms on which the disclosure reports shall be submitted. Machine copies of original campaign finance disclosure reports are acceptable. Information which is provided on all forms shall be either typewritten or printed legibly in ink. Filing by electronic facsimile is acceptable. Facsimile reports must be replaced as soon as possible with original forms. All report entries shall be listed on Schedules A, B, C, D, E, F, G, and H in either chronological or alphabetical order. Computer-generated disclosure reports are acceptable, subject to prior state board approval.

The organization statement of a committee is Form DR-1. The notice of dissolution of a committee is Form DR-3. The periodic full disclosure reports of committees required to file reports under Iowa Code chapter 56 shall consist of a Form DR-2 which is the disclosure summary page of the committee. This disclosure summary page shall be accompanied by the appropriate supporting schedules for the report, which are:

- Schedule A — Monetary Receipts
- Schedule B — Monetary Expenditures
- Schedule C — Sale of Products at Fund-Raising Events
- Schedule D — Incurred Indebtedness
- Schedule E — In Kind Contributions
- Schedule F — Loans Received and Paid
- Schedule G — Consultant Activity
- Schedule H — Campaign Property

Copies of the forms are available upon request from the Iowa Ethics and Campaign Disclosure Board, 514 E. Locust Street, Suite 104, Des Moines, Iowa 50309.

This rule is intended to implement Iowa Code sections 56.6 and 56.43.

351—4.3(56) Deposit of funds, notification of treasurer of receipts and timely deposit—documentation by check.

4.3(1) All funds of a committee shall be deposited in a separate banking account in a financial institution, and the name of that financial institution shall be disclosed on the statement of organization form. For the purpose of this rule, “financial institution” means a depository for the safekeeping and transmission of campaign funds, such as a bank, credit union, savings and loan association, for example. The name of the banking account shall be the same as the name of the committee as it appears on the statement of organization. Any person who receives or collects a contribution in excess of \$100 in support of or opposition to a candidate for public office or a ballot issue shall transmit the contribution to the committee treasurer within 15 calendar days of receipt and provide necessary information for disclosure reports. Receipts of all committees shall be deposited by the treasurer in the committee’s financial institution account within 7 business days of receipt. For candidates’ committees required to file supplemental reports prior to a primary, special or general election, receipts must be deposited current to correspond with the supplemental report’s covered period.

4.3(2) All committee expenditures and reimbursements shall be made by check from the committee account, and cash expenditures are prohibited.

This rule is intended to implement Iowa Code sections 56.3, 56.6, 56.41, and 56.42.

351—4.4(56) Political advertising disclaimers (identification of sponsor). If published material subject to the disclaimer requirements of Iowa Code section 56.14 consists of more than one page, the disclaimer need only appear on one page of the published material, so long as its placement is conspicuous.

In determining the requirements for identification of the sponsor of political advertising, the final location of the advertising shall be considered.

This rule is intended to implement Iowa Code section 56.14.

351—4.5(56) Definitions. The following words and phrases used in Iowa Code chapter 56 are specifically defined as follows:

4.5(1) In Iowa Code section 56.6(3) “*f*,” the word “proceeds” shall mean “the gross receipts from a fund-raising event.”

4.5(2) In Iowa Code section 56.13, unnumbered paragraph 2, the term “incidental expenses” shall mean “such minor expenses absorbed by the volunteer which result from or arise out of the volunteer work.”

4.5(3) “Fair market value” is defined as the price commonly charged for goods or services in the particular market area, without discount or special rate consideration.

4.5(4) For purposes of this chapter, “disclaimer” means the statement placed on political advertising to clearly indicate the name of the registered committee or the full name and complete address of a person or organization which has paid for the advertising. If the political advertisement is paid for by the candidate who has filed an affidavit of candidacy or by a candidate’s committee or political committee which has filed a statement of organization under Iowa Code chapter 56, the specific name and address are available to the public, and the disclaimer shall be acceptable on all advertising if it contains the words “Paid for by the Candidate”, “Paid for by the Candidate’s Committee” or “Paid for by (the name of the committee)”, whichever is applicable. A disclaimer statement must contain the words “Paid for by” before the name of the sponsor in order to be acceptable, except that words such as “Labor (or Materials) donated by (name)” shall be included when applicable.

4.5(5) For purposes of Iowa Code chapter 56 and this chapter, “yard sign” means a political sign with dimensions of 16 square feet or less which has been placed or posted on real property.

4.5(6) For purposes of this chapter, “outdoor advertising” includes any sign except yard signs, and shall include but not be limited to wooden, metal, plastic or other hardboard signs affixed to the side of a building or painted directly on the side of the building, signs placed on the top of a car, truck or other vehicle, signs painted or affixed to the side of a vehicle, or to any advertisement printed, painted or otherwise displayed on a portable sign carrier. “Outdoor advertising” also applies to magnetic signs temporarily placed on vehicles or structures.

4.5(7) For purposes of this chapter, “filed” means the earlier of the date a report is physically received in the depository specified by statute (office of the board or of the county commissioner of elections), and the date a report is postmarked by the United States Postal Service.

4.5(8) For purposes of this chapter, the determination of political advertising requiring a disclaimer shall take into account the final use or placement of the advertising item, and shall apply a practicability test in relation to cost, placement and other pertinent factors in the public interest.

4.5(9) For purposes of this chapter, “newspaper or magazine” means a regularly scheduled publication of news, articles of opinion, and features available to the general public which does not require membership in or employment by a specific organization.

4.5(10) For purposes of this chapter, the term “endorse” means the public announcement, either orally or in writing, of a person’s or organization’s chosen position on a ballot question or in the choice of a candidate to hold a public office to be filled by election.

4.5(11) For purposes of this chapter, the term “support” means the campaign activity intended to influence an elector to vote for a specific candidate or a specific ballot question, including, but not limited to, monetary contributions and expenditures, independent expenditures, loans, and donations of goods and services. “Oppose” means the same kind of activity intended to influence an elector to vote against a specific candidate or a specific ballot question.

This rule is intended to implement Iowa Code section 56.14.

351—4.6(56) Legitimate expenditures of campaign funds.

4.6(1) Expenses which may be paid from campaign funds for campaign purposes include, but are not limited to, the following items so long as the items promote or enhance the candidacy of the candidate:

- a.* Electronic media advertising, such as radio, cable television and commercial television.
- b.* Published advertising, such as newspaper, magazine, newsletter and shopper advertising.
- c.* Printed promotional materials, such as brochures, leaflets, flyers, invitations, stationery, envelopes, reply cards, return envelopes, campaign business cards, direct mailings, postcards and “cowboy” political cards.
- d.* Political signs, such as yard signs, car signs, portable outdoor advertising, stationary outdoor advertising and billboards.
- e.* Political advertising specialty items, such as campaign buttons, campaign stickers, bumper stickers, campaign pins, pencils, pens, matchbooks, balloons, scratch pads, calendars, magnets, key chains, campaign caps and T-shirts.

f. Travel and lodging expenses of the campaign workers for campaign purposes and political party activities. Travel and lodging expenses to attend a national political party convention are prohibited unless the candidate can substantiate that the sole reason for attending the convention is to enhance the candidacy of the candidate.

g. Contributions to political party committees.

h. Payment for fundraiser tickets for meals for events sponsored by a nonparty political committee or by another candidate's committee that the candidate actually attends provided the payment for the meal is limited to the actual cost of the ticket or \$25, whichever is less. If a candidate determines that attendance by one guest would promote or enhance the candidacy, a ticket for the guest's meal is a legitimate campaign expense, provided that the candidate and guest actually attend, and that payment for each meal is limited to the cost of a ticket or \$25, whichever is less.

i. General campaign expenditures, such as printing, copy machine charges, office supplies, campaign photographs, gambling permits, fundraiser prizes, postage stamps, postage meter costs, bulk mail permits, telephone installation and service, facsimile charges and computer services.

j. Purchase or lease of campaign equipment, such as copy machines, telephones, facsimile machines, computer hardware, software and printers.

k. Purchase or lease of campaign office space, parking lots or storage space and the payment for campaign office utilities and maintenance.

l. Payment of salaries, fringe benefits and payroll taxes of paid campaign staff.

m. Payment for check printing and financial institution banking service charges.

n. Lease or rental of a campaign vehicle, provided a detailed trip log is maintained which provides dates, miles driven, destination and purpose, and that noncampaign miles are reimbursed to the committee at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code. However, the purchase of a campaign vehicle is prohibited.

o. Reimbursement to candidates and campaign workers for mileage driven for campaign purposes in a personal vehicle, provided a detailed trip log is maintained which provides dates, miles driven, destination and purpose, and that reimbursement is paid at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code.

p. Payment for food expenses and supplies for campaign-related activities, such as the purchase of food, beverages and table service for fundraising events or campaign volunteers. However, except as provided in paragraph "h," the purchase of tickets for meals or fundraising events for other candidates is prohibited, and the purchase of groceries for the candidate or candidate's family is also prohibited. Payment for meals for the candidate (other than those involving tickets for fundraiser events as addressed in paragraph "h") is permitted as an allowable expenditure for campaign purposes if the meal was associated with campaign-related activities.

q. Payment of civil penalties and hearing costs assessed by the board.

r. Payment for the services of attorneys, accountants, consultants or other professional persons when those services relate to campaign activities.

s. Subscriptions to newspapers and periodicals.

t. Membership in service organizations.

u. Repayment of campaign loans made to the committee.

v. Purchase of reports of other candidates and political committees so long as the reports' contents are not used for solicitation or commercial purposes.

w. Transfers of funds to charitable organizations which qualify for tax-exempt status under Section 501(C) of the Internal Revenue Service regulations.

x. Contributions to federal, state, county and city political party committees.

y. Refunds to contributors when a contribution has been accepted in error, or when a committee chooses to dispose of leftover funds by refunding them in prorated shares to the original contributors.

z. Payments of cash not to exceed \$250 per person, or payments for items with a purchase price not to exceed \$250 per person, which are presented to committee workers in recognition of a worker's services to the committee for the most recent election cycle for which the committee was active. However, this does not preclude a committee from paying compensation to a committee worker after the close of the reporting period in which the work was performed, so long as an obligation to pay the compensation was reported for that reporting period.

4.6(2) Expenses which may be paid from campaign funds for educational and other expenses associated with the duties of office include, but are not limited to, the following items:

a. Purchase or lease of office supplies and equipment, such as paper, copy machines, telephones, facsimile machines, computer hardware, software and printers.

b. Travel, lodging and registration expenses associated with attendance at an educational conference of a state, national, or regional organization whose memberships and officers are primarily composed of state or local government officials or employees. However, meal expenses are not allowable as expenses associated with the duties of office under any circumstances.

4.6(3) Expenses which may be paid from campaign funds for constituency services include, but are not limited to, the following items:

a. Mailings and newsletters sent to constituents.

b. Polls and surveys conducted to determine constituent opinions.

c. Travel expenses incurred in communicating with members of an elected official's constituency, provided a detailed trip log is maintained which provides dates, miles driven, destination and purpose, and that reimbursement is paid at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code. However, meal expenses are not allowable as expenses associated with constituency services under any circumstances.

This rule is intended to implement Iowa Code sections 56.40, 56.41, and 56.42.

351—4.7(56) Contributions by minors. Persons under 18 years of age may make contributions to a candidate or political committee if all of the following conditions exist:

1. The decision to contribute is made knowingly and voluntarily by the minor;

2. The funds, goods, or services contributed are owned or controlled exclusively by the minor, such as income earned by the minor, the proceeds of a trust for which the minor is the beneficiary, or a savings account opened and maintained exclusively in the minor's name; and

3. The contribution is not made from the proceeds of a gift, the purpose of which was to provide funds to be contributed, or is not in any other way controlled by another person.

This rule is intended to implement Iowa Code section 56.13.

351—4.8(56) Amendment—statements, disclosure reports and notices. A committee may amend a previously filed statement of organization, disclosure report or notice of dissolution. To amend a previously filed statement, report or notice the committee shall file an amended document on the approved form and shall designate on the form in the space provided, if applicable, that the document being filed is an amendment to a previously filed statement, report or notice. The term "amended document" as used in this rule shall mean "a document on forms issued by the board which includes only the information which is being added, deleted or changed from a previously filed statement of organization or notice of dissolution."

This rule is intended to implement Iowa Code section 56.6.

351—4.9(56) Information to be included on initial report. The first report filed by a committee after that committee has crossed the \$500 activity threshold and filed a statement of organization shall include the relevant financial information covering the period from the beginning of the committee's financial activity, even if from a different calendar year, through the end of the current reporting period. The prior activity shall be reported as follows:

1. If funds are available to a candidate's committee from a prior candidacy of that candidate, or to a ballot issue committee from a prior effort on a ballot issue, when the prior candidacy or effort had not exceeded the \$500 reporting threshold, the carryover balance shall be reflected on the first report as an entry on Schedule A - Contributions as net sum of the prior activity, identifying the transaction as a carryover balance with a brief description of the prior election activity, including the date and purpose of the election. The description shall state whether or not any of the financial activity during the three calendar years preceding the report included the receipt of one or more contributions totaling more than \$500 from any one source. If so, the committee shall attach an addendum to the schedule which contains the name(s) and address(es) of that (those) contributor(s), and the date(s) and amount(s) of that (those) contribution(s).

2. Financial activity not directly related to a ballot issue, such as efforts to encourage or discourage signatures on a petition to place an issue on the ballot, is not normally reportable under Iowa Code chapter 56. However, if a committee formed to engage in election advocacy on the ballot issue has use of the carryover funds of that preballot issue activity, the carryover balance shall be reflected on the first report as an entry on Schedule A - Contributions as net sum of the prior activity, identifying the transaction as a carryover balance with a brief description of the activity which occurred prior to the issue's being certified for placement on the ballot. The description shall state whether or not any of the financial activity during the three calendar years preceding the report included the receipt of one or more contributions totaling more than \$500 from any one source. If so, the committee shall attach an addendum to the schedule which contains the name(s) and address(es) of that (those) contributor(s), and the date(s) and amount(s) of that (those) contribution(s).

3. All financial activity, both contributions and expenditures, which occurs after a person has become a candidate for the current election by taking some affirmative action to seek nomination or election to public office, but prior to exceeding the \$500 activity threshold, shall be fully reported in compliance with Iowa Code section 56.6(3).

4. All financial activity, both contributions and expenditures, which occurs after an issue has become a ballot issue by being certified by the appropriate governmental unit for placement on the ballot, but prior to exceeding the \$500 activity threshold, shall be fully reported in compliance with Iowa Code section 56.6(3).

This rule is intended to implement Iowa Code section 56.6(4).

351—4.10(56) Filing in error. A committee which is not subject to the Iowa campaign disclosure law but which mistakenly files a statement of organization, disclosure report, or notice of dissolution will not be required to comply with all subsequent filing deadlines unless the committee later becomes subject to the mandatory filing of reports. The documents filed voluntarily by the committee shall be marked as "voluntary" and kept in the active committee files until the board orders the committee's file to be removed from that file and placed in the inactive committee file.

A committee may request the board to take that action by submitting a written request which details the reasons why the committee is not subject to the Iowa disclosure law. The board shall act upon such a request at its next regularly scheduled meeting following the date the request is received. Within ten days following the meeting in which the request is considered the committee shall be informed of the board's action on the request.

The board may also order the file of a committee which is not subject to the Iowa campaign disclosure law but which has mistakenly filed a statement of organization, disclosure report, or notice of dissolution removed from the active committee file and placed in the inactive committee file either by acting upon the report and recommendation of the board staff or by acting upon its own motion.

Any committee file removed from the active committee file under the provisions of this rule shall contain a written copy of the order issued by the board directing the placement of the committee's file in the inactive committee file.

351—4.11(56) Filing in the wrong place. When a committee files a statement of organization, disclosure report, or notice of dissolution with the ethics and campaign disclosure board which should actually have been filed with a county auditor, this shall not constitute a proper filing and does not eliminate a committee's responsibility to comply with the disclosure law. When an improper filing is made with the board, the board will forward the document to the appropriate county auditor, and inform the committee that the filing has been forwarded, if a return address is provided.

This rule is intended to implement Iowa Code sections 56.4 and 56.6.

351—4.12(56) Freewill donations. The good faith collection of donations voluntarily made to a committee or a candidate, such as a "pass the hat" or a "can collection," shall not be construed to be an anonymous donation which a candidate or committee is prohibited from accepting by Iowa Code section 56.27, provided the following requirements are met.

1. Attached to each collection container or prominently displayed in the immediate vicinity thereof, there must be a written statement to the effect that contributions in excess of \$10 are illegal unless the contributor's name, address, and the amount of the contribution are provided.

2. The name of the person organizing or coordinating the freewill donation as well as the name, the date, and location of the event must be recorded, and, if the total amount collected exceeds the reporting amount in Iowa Code section 56.6(3) "b," then the freewill donation organizer or coordinator must be identified by name and address on the appropriate disclosure report.

This rule is intended to implement Iowa Code sections 56.6 and 56.27.

351—4.13(56) Out-of-state contributions. Iowa candidates' committees and other political committees may receive contributions from committees outside Iowa, and committees outside Iowa may contribute to Iowa candidates' committees and other political committees provided one of the specified procedures is followed:

4.13(1) Out-of-state committees may choose to comply with regular Iowa disclosure filing requirements in Iowa Code sections 56.5 and 56.6 by filing a statement of organization and periodic disclosure reports.

4.13(2) In lieu of filing a statement of organization and regular disclosure reports as required by Iowa Code sections 56.5 and 56.6, the out-of-state committee may send a verified (sworn) statement registration form (a "VSR") with the contribution, and shall also send a copy to the board or county commissioner of elections. The VSR forms may be obtained from the board or county commissioners of elections. The requested information shall include:

- a.* The complete name, address and telephone number of the out-of-state committee;
- b.* The name, address and telephone number of the out-of-state committee treasurer and other officers;
- c.* The state or federal disclosure agency or jurisdiction under which the out-of-state committee is registered or operates;
- d.* All parent entities or other affiliates or sponsors of the out-of-state committee;
- e.* The purpose of the out-of-state committee;
- f.* The name, address and telephone number of an Iowa resident authorized to receive service on behalf of the out-of-state committee;
- g.* The name and address of the Iowa recipient committee;
- h.* The date and amount of the contribution, including description if the contribution is in kind; and

i. An attested statement that the jurisdiction under which the out-of-state committee is registered or operates has reporting requirements which are substantially similar to those of Iowa Code chapter 56 and that the contribution is made from an account which does not accept contributions which would be in violation of Iowa Code section 56.15, signed by the treasurer or chairperson.

A properly completed VSR shall relieve an out-of-state committee from other disclosure filing requirements of Iowa Code chapter 56.

4.13(3) Out-of-state committees which determine that the jurisdiction under which the committee is registered or operates does not have reporting requirements which are substantially similar to those of Iowa Code chapter 56 may choose to comply by enhancing their filing in the other jurisdiction. The enhanced filing shall meet the reporting requirements of chapter 56 for the reporting period in which contributions to an Iowa candidate are made. The report shall cover a period of at least one month. An out-of-state committee choosing this option shall comply with the VSR procedures in subrule 4.13(2) and attach a signed statement that the report has been or will be enhanced to satisfy the Iowa reporting requirements.

This rule is intended to implement Iowa Code section 56.5(5).

351—4.14(56) Verification of disclosure reports. The board will review and audit each disclosure report filed. The board may check with other parties to verify the accuracy and completeness of the reports filed. The board may contact a representative of the committee and may check with other parties to determine the authenticity of information provided about filed reports.

This rule is intended to implement Iowa Code section 56.10.

351—4.15(56) Loans or obligations forgiven or transferred; interest and imputed interest.

4.15(1) Loans or financial obligations, other than from prohibited contributors, may be transferred or forgiven if the lender or obligor desires to contribute the loan or outstanding balance on an obligation to the committee. When a loan or outstanding balance on an obligation is forgiven or transferred, the information must be listed on Schedule E—in-kind contributions and deducted from Schedule F—loan schedule.

4.15(2) Loans and unpaid obligations shall be subject to actual interest accrual and payment or, if the obligor is not a prohibited contributor, subject to reporting of imputed interest. If the obligor is not a prohibited contributor, interest shall be imputed at the rate commonly charged by the obligor to other obligees, and shall be reported on Schedule E—in-kind contributions. A committee may not accept a loan from a prohibited contributor unless interest is chargeable on the loan at a rate equivalent to rates offered other borrowers and the committee has been making monthly payments on the account of no less than 5 percent of the outstanding balance. A committee may not carry outstanding obligations arising from purchases of goods or services by the committee from a vendor who is a prohibited contributor unless the committee is charged interest at the rate charged to other clients of the vendor and the committee has been making monthly payments on the account of no less than 5 percent of the outstanding balance. For vendors or lenders who have no other clients upon which to base the assessment of interest, interest shall be charged or imputed, as appropriate, at a rate not less than the rate of interest which may be charged under Iowa Code section 535.2(1), as in effect as of the date the loan was made or the obligation was incurred.

This rule is intended to implement Iowa Code sections 56.3, 56.6 and 56.15.

351—4.16(56) Purpose of expenditure. The term “purpose of expenditure” shall mean a clear and concise statement that specifically describes the transaction which has occurred. The following general terms are examples of descriptions which are not acceptable: expenses, reimbursement, candidate expense, services, supplies, and miscellaneous expense.

This rule is intended to implement Iowa Code sections 56.3 and 56.6.

351—4.17(56) Inactive status.

4.17(1) Statutory county central committees. If a county central committee of either the Democratic or Republican political party disbands temporarily because it has no officers and has ceased to function, application for inactive status may be granted by the ethics and campaign disclosure board for disclosure reporting purposes. A committee has ceased to function when it holds no administrative, organizational, or candidate meetings or fundraisers; and when it has made no expenditures for a period of three months. In order to receive inactive status, the county central committee’s disbanding must

be requested in writing by the former chair or treasurer of the central committee and must be certified in writing by an officer of the respective state political party. The certification will state the date of the central committee's last meeting or function, the date of its last financial transaction, the name and address of the financial institution in which the central committee's funds are on deposit, the fund balance and the estimated duration of the requested inactive status. The requirement of campaign finance disclosure reports will be waived after inactive status is granted.

a. In order for a county central committee to return to active status, the committee shall file an amended statement of organization which names the new officers of the committee. The county central committee shall also verify the fund balance. Campaign finance disclosure reports will be due on the next report due date following return to active status and for each reporting period thereafter.

b. A person or persons violating the provisions of Iowa Code section 56.6 may be subject to the filing of a formal complaint as provided in Iowa Code section 56.11. The committee is also subject to any civil penalties incurred due to nonfiling or late filing of required reports.

4.17(2) Political committees. A political committee as defined in Iowa Code section 56.2(15) may apply to the board for inactive status if it has not accepted contributions, made expenditures or incurred debts for the purpose of supporting or opposing candidates for public office or ballot issues for a period of five consecutive years. In the application the political committee shall provide an affidavit signed by two officers of the committee which verifies the current cash balance, the names of all financial institutions in which committee funds are held, the date of the last financial transaction in support or opposition of a candidate or ballot issue and the committee's reason for requesting inactive status. The board shall act upon requests for inactive status at the next regularly scheduled meeting provided all information has been received. A committee which subsequently crosses the financial threshold for reporting shall automatically lose its inactive status and shall file an amended statement of organization within ten days of crossing the reporting threshold. Disclosure reports shall be due on the first due date following return to active status and on each reporting date thereafter.

This rule is intended to implement Iowa Code sections 56.6 and 56.2(15).

351—4.18(56) Contribution in the name of another person. A contribution or expenditure by a trustee solely in the name of the trust constitutes a contribution or expenditure in the name of another person, prohibited under Iowa Code section 56.13. In order to avoid violation of Iowa Code section 56.13, disclosure reports filed pursuant to Iowa Code chapter 56 which include contributions accepted from or disbursements made to a trust must identify the trust, the trustee, and the trustor in all places where "name" is required to be provided under Iowa Code section 56.6(3). If a candidate's committee or political committee accepts a contribution from a trust, it shall also obtain and file with the report on which the trust contribution is disclosed a signed statement from the trustee which affirms that a political contribution is permitted to be made from the funds of the trust. However, where a contribution or expenditure is made from or to a trust in which all funds were originally provided by the trustor, and the trustor is a living individual who is also the trustee and beneficiary, the contribution or expenditure will be considered to be from that individual. A revocable trust of a single individual is presumed to satisfy these criteria.

This rule is intended to implement Iowa Code section 56.13.

351—4.19(56) Reporting of earmarked contributions. A political committee is permitted to receive contributions from its members which are earmarked to be donated to specific candidate's committees or other political committees. A political committee receiving and transmitting earmarked contributions is required to list on its disclosure report the name of the contributor and the name of the candidate or committee for which the contribution was earmarked. The political committee is further required to inform the treasurer of the recipient committee in writing the name of the individual contributor, as well as the name of the committee which has collected the contribution. The committee receiving the earmarked contribution is required to disclose on its report both the name of the individual contributor and the sponsoring committee.

351—4.20(56) Forms distribution. Rescinded IAB 7/31/96, effective 9/4/96.

351—4.21(56) Additional forms and manuals. Rescinded IAB 7/31/96, effective 9/4/96.

351—4.22(56) Contracts with and expenditures to consultants. A candidate's committee which enters into a contract with a consultant for future or continuing performance shall be required to report expenditures made to the consultant, and the nature of the performance of the consultant which is expected to be received by the candidate's committee. A candidate's committee is required to report in part 1 of Schedule G any contracts with consultants which it has negotiated, the complete name and address of the consultant, the period of time in which the contract is in effect, and estimates of performance to be derived from the contract. Expenditures made to the consultant during a reporting period shall be reported with all other expenditures on the Schedule B, and debts incurred with the consultant during the reporting period shall be reported with all other debts on Schedule D. Additionally, a detailed breakdown of the expenditures made by the consultant shall be reported by the candidate's committee in part 2 of Schedule G, and shall include the date of the expenditure, the purpose of the expenditure and the amount of the expenditure.

For purposes of this rule, "contract" means an oral or written agreement between two parties for the supply or delivery of specific services in the course of the campaign. "Performance" means the execution or fulfillment of the contractual agreement. "Nature of performance" means a clear description of the specific services received or benefit derived as the result of a contract with a consultant. "Estimate of performance" means a clear description of the expected services the candidate reasonably expects to be received or benefit to be derived during the period of the contract.

This rule is intended to implement Iowa Code sections 56.2 and 56.6.

351—4.23(56) Use of corporate property prohibited. It is unlawful for a candidate's committee or other political committee to use any property of a corporate entity, and it is unlawful for a corporate entity to knowingly permit the use of its property by a candidate's committee or other political committee. "Corporate entity" as used in these rules means any profit or nonprofit corporation, and includes, but is not limited to, farm corporations, professional corporations (P.C.s), banks, savings and loan institutions, credit unions and insurance companies. For the purpose of these rules, the prohibited use of the property of a corporate entity shall include, but not be limited to, the following:

4.23(1) The physical placement of signs, billboards, posters, bumper stickers, brochures or other political advertising on corporate personal and real property, including the interior and exterior of buildings and motor vehicles. However, these rules are not intended to prohibit the use by a political committee or a candidate's committee of an area commonly available to any member of the general public for other purposes.

4.23(2) The placement of a yard sign on the lawn or grounds of property owned by a corporate entity, unless the property is rented or leased to an individual for residential purposes, or unless the property is agricultural land owned by a family farm corporation.

4.23(3) The use of motor vehicles, telephone equipment, long distance lines, computers, typewriters, office space, duplicating equipment and supplies, stationery, envelopes, labels, postage, postage meters or the distribution or communication systems of corporate entities.

4.23(4) The use of corporate entity facilities, premises, recreational facilities and housing that are not ordinarily available to the general public.

4.23(5) The furnishing of beverages and other refreshments that are not ordinarily available to the general public.

4.23(6) The contributing of money of the corporate entity.

4.23(7) Any other transaction conducted between a corporation and a candidate's or political committee is presumed to be a corporate contribution unless the candidate or political committee establishes to the contrary.

This rule is intended to implement Iowa Code section 56.15.

351—4.24(56) Corporate-sponsored political action committee. These rules do not prevent a corporate entity from soliciting eligible members to join or contribute to its own corporate-sponsored political action committee (PAC), so long as the corporate entity adheres to the provisions of Iowa Code section 56.15.

This rule is intended to implement Iowa Code section 56.15.

351—4.25(56) Voter education. These rules do not prevent a corporate entity from providing or publicizing voter registration procedures, election day information, voting procedures or other voter education information, so long as the information provided is not designed to influence the vote of the elector.

This rule is intended to implement Iowa Code section 56.15.

351—4.26(56) Purchase or rental of corporate property. These rules do not prevent a candidate's committee or other political committee from purchasing or renting property, goods or services belonging to a corporate entity, so long as the purchase or rental is at fair market value, and no discount is offered or accepted that is not available to all members of the general public.

This rule is intended to implement Iowa Code section 56.15.

351—4.27(56) Individual property. These rules do not apply to the personal or real property of corporate officers or of individuals employed or associated with a corporate entity and shall not abridge the free-speech rights and privileges of individuals.

This rule is intended to implement Iowa Code section 56.15.

351—4.28(56) Political corporations. The prohibitions applicable to corporate entities shall not apply to political corporations which meet all parts of the following tests:

1. The corporation was organized solely for political purposes and cannot engage in business activities.
2. The corporation is not sponsored by a business corporation or labor union, and has a policy of refusing contributions from corporations or unions.
3. The corporation has no shareholders or others which have claims on its assets or earnings.

A corporate entity may apply for status as a political corporation under Iowa Code chapter 56 by submitting a letter signed by a corporate officer which affirms the above requirements and provides other pertinent details of the corporation's activities. A letter of approval or denial from the board will be provided to the corporation. The acceptance of contributions from a corporation seeking status as a political corporation is subject to the letter of approval and, if approval is not granted, any corporate contributions received shall be refunded by the candidates' committees or other political committees.

This rule is intended to implement Iowa Code section 56.15.

351—4.29(56) Political corporations required to file disclosure reports. A political corporation which accepts contributions, makes expenditures or incurs indebtedness in the aggregate of more than \$500 in any one calendar year for the purpose of supporting or opposing a candidate for public office or a ballot issue is deemed to be a political committee subject to the reporting requirements of Iowa Code sections 56.5 and 56.6. A political corporation not domiciled in Iowa which is currently filing full reports of activities with another state disclosure agency or with the Federal Election Commission may file verified statement registration forms in lieu of full disclosure reports.

This rule is intended to implement Iowa Code section 56.6.

351—4.30(56) Leftover funds.

4.30(1) A committee may file a Notice of Dissolution when all of its debts and obligations are paid or satisfied, all campaign property is disposed and when its cash balance is reduced to zero.

4.30(2) If a committee owes a debt to a corporate entity which it is unable to repay because the company has disbanded, the record of the debt has been lost or some similar reason, the committee will be considered to have satisfied this obligation if it pays an amount equal to the debt owed the corporate entity to either a charitable organization or the state of Iowa general fund, and if it provides evidence of this payment to the board.

This rule is intended to implement Iowa Code sections 56.6(5), 56.15, and 56.43.

351—4.31(56) Corporate involvement with political committee funds.

4.31(1) Corporate payroll deductions. For purposes of interpretation of Iowa Code section 56.15, the administrative functions performed by a corporation (profit or nonprofit corporation including, but not limited to, a bank, savings and loan institution, credit union or insurance company) to make payroll deductions for an employee organization's political action committee and to transmit the deductions in lump sum to the treasurer of the political action committee shall not be a prohibited corporate activity so long as the corporate entity is serving only as a conduit for the contributions.

4.31(2) Joint solicitations and electronic transfer deposits. Corporate sponsors of political committees which receive membership dues are permitted to solicit and receive contributions to their political action committees (PACs) subject to the following requirements:

a. The corporate sponsor shall initially submit a copy of its joint solicitation form for prior approval of the board. The joint solicitation form shall include a prominent statement that financial participation in the political action committee (PAC) is voluntary and not a requirement of membership with the sponsor. The form further shall state that a check containing both membership dues and PAC contributions cannot be written on a corporate account.

b. The corporate sponsor shall resubmit its joint solicitation form each year with its PAC January disclosure report. If changes in the form have been made (other than dates), the form shall not be used until approved.

c. Checks which include both dues and PAC contributions may be deposited in the respective banking accounts by electronic transfer deposit so long as the sponsor maintains no control over the PAC portion of the funds and records of the individual checks received are retained by the sponsor or PAC for a period of three years. These records shall be available to the board upon request.

4.31(3) Allowable costs of administration. For the purposes of interpreting Iowa Code section 56.15, subsection 3, which permits an entity otherwise forbidden from contributing to a candidate or a candidate's committee to "financ[e] the administration of a committee sponsored by that entity," the following are considered to be allowable costs of administration:

a. Full or partial compensation for political committee staff, which may include both wages and benefits.

b. Expenses of transportation and travel incurred by political committee staff; however, this does not include expenses of transportation or travel if provided by a political committee or a staff member to a candidate, nor does this include expenses of meals or events held on behalf of a candidate.

c. Printing and office supplies related to routine office administration; however, this does not include printing and supply costs directly associated with the making of an independent expenditure on behalf of a candidate, such as the production of a supporting or opposing campaign brochure or guide, nor does this include printing and supply costs directly associated with the solicitation of contributions for the committee from persons other than the stockholders, administrative officers, and members of the entity.

d. Postage and stationery, including that necessary for mailing contributions to specific candidates, but excluding postage and stationery necessary for distributing political material supporting or opposing a specific candidate to persons other than the committee membership.

e. Expenses of maintaining committee records and preparing financial disclosure reports, including costs associated with services provided by an accountant or other professional.

f. Promotional materials, such as stickers, pens, and coffee cups, so long as the items promote the political committee itself, and not a specific candidate.

Items which are excluded by this subrule from being an allowable cost of administration may still be provided by the committee, so long as those costs are paid for from contributions or other sources of funds other than the parent entity.

This rule is intended to implement Iowa Code section 56.15.

351—4.32(56) Permanent organizations which become temporary political committees. When a permanent organization which is not a political committee engages in political activities by accepting contributions, making expenditures or incurring debts of more than \$500 in a calendar year, the organization is required to file a statement of organization and one or more disclosure reports. Covered activities include direct and indirect contributions, in kind contributions and independent expenditures. If the committee uses only existing funds and does not accept money from other sources, no separate banking account is required.

This rule is intended to implement Iowa Code section 56.2(15).

351—4.33(68B) Lobbyist quarterly reports and lobbyist client reports. Transferred to 351—13.2(68B), IAB 7/31/96, effective 9/4/96.

[Filed 10/17/75, Notice 8/25/75—published 11/3/75, effective under emergency provision 11/21/75]

[Filed 10/28/75, Notice 8/25/75—published 11/17/75, effective 12/22/75]

[Filed 11/26/75, Notice 8/25/75—published 12/15/75, effective 2/1/76]

[Amendment filed without notice 11/26/75—published 12/15/75]

[Filed emergency 2/11/76—published 3/8/76, effective 2/11/76]

[Filed 2/19/76, Notice 11/17/75—published 3/8/76, effective 4/12/76]

[Filed 4/1/76, Notice 11/17/75—published 4/19/76, effective 5/24/76]

[Filed 6/4/76—published 6/28/76, effective 8/2/76]

[Filed emergency 7/14/76—published 8/9/76, effective 7/14/76]

[Filed 1/7/77, Notice 12/1/76—published 1/26/77, effective 3/2/77]

[Filed 4/30/79, Notice 3/21/79—published 5/30/79, effective 7/4/79*]

[Filed 8/29/80, Notice 5/28/80—published 9/17/80, effective 10/22/80]

[Filed 11/6/81, Notice 9/3/81—published 11/25/81, effective 1/1/82]

[Filed 11/4/83, Notice 8/3/83—published 11/23/83, effective 1/1/84]

[Filed 5/16/86, Notice 3/12/86—published 6/4/86, effective 9/3/86]

[Filed 8/21/87, Notice 6/17/87—published 9/9/87, effective 10/14/87]

[Filed 4/26/89, Notice 2/22/89—published 5/17/89, effective 6/21/89]

[Filed 4/23/92, Notice 2/19/92—published 5/13/92, effective 6/17/92]

[Filed 11/17/92, Notice 9/16/92—published 12/9/92, effective 1/13/93]

[Filed emergency 1/15/93—published 2/3/93, effective 1/15/93]

[Filed 9/23/93, Notice 4/28/93—published 10/13/93, effective 11/17/93]

[Filed 3/11/94, Notice 1/5/94—published 3/30/94, effective 5/4/94]

[Filed emergency 6/16/94—published 7/6/94, effective 6/16/94]

[Filed 7/29/94, Notice 5/25/94—published 8/17/94, effective 9/21/94]

[Filed 12/16/94, Notice 8/17/94—published 1/4/95, effective 2/8/95]∅

[Filed 7/28/95, Notice 5/24/95—published 8/16/95, effective 9/20/95]

[Filed 7/28/95, Notice 6/21/95—published 8/16/95, effective 9/20/95]∅

[Filed 10/6/95, Notice 7/19/95—published 10/25/95, effective 11/29/95]

[Filed 7/12/96, Notice 4/24/96—published 7/31/96, effective 9/4/96]∅

[Filed 10/18/96, Notice 8/28/96—published 11/6/96, effective 12/11/96]

[Filed 12/24/96, Notice 11/6/96—published 1/15/97, effective 2/19/97]

[Filed 6/13/97, Notice 5/7/97—published 7/2/97, effective 8/6/97]

*Effective date of rule 4.16 delayed by the Administrative Rules Review Committee 45 days after convening of the next General Assembly pursuant to §17A.8(9).

∅Two or more ARCs